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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/467,994  
Filing Date: December 20, 1999  
Appellant(s): YOUNG, BRUCE A.

**MAILED**

SEP 07 2004

**GROUP 3600**

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Ward Kraft, Inc.  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed 6/15/2004.

**(1) Real Party in Interest**

A statement identifying the real party in interest is contained in the brief.

**(2) *Related Appeals and Interferences***

A statement identifying the related appeals and interferences, which will directly affect or be directly affected by or have a bearing on the decision in the pending appeal is contained in the brief.

**(3) *Status of Claims***

The statement of the status of the claims contained in the brief is correct.

**(4) *Status of Amendments After Final***

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) *Summary of Invention***

The summary of invention contained in the brief is correct.

**(6) *Issues***

The appellant's statement of the issues in the brief is correct.

**(7) *Grouping of Claims***

Appellant's brief includes a statement that claims 1-11, 13, and 17-18, claims 19-22, and 28-29, and claims 30-32 do not stand or fall together and provides reasons as set forth in 37 CFR 1.192(c)(7) and (c)(8).

**(8) *ClaimsAppealed***

The copy of the appealed claims contained in the Appendix to the brief is correct.

**(9) *Prior Art of Record***

5,028,766	Shah	7-1991
5,839,058	Phillips et al.	11-1998

5,769,269                    Peters                    6-1998

Boyar (Phoenix Arizona Republic Newspaper, Finale Chaser Edition, Weekend Section, 7 August 1992, Page D12)

**(10) *Grounds of Rejection***

The following ground(s) of rejection are applicable to the appealed claims:

Claims 1-11, 13, 17-18, and 19-22, 28-29, and 30-32 are rejected under 35 U.S.C. 103(a). This rejection is set forth in a prior Office Action, mailed on 10/6/2003.

**DETAILED ACTION**

***Claim Rejections - 35 USC § 103***

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**Claims 1-11, 13, and 17-18 are rejected under 35 U.S.C. 103(a) as being unpatentable over and further in view of Shah US 5,028,766 [Shah '766], Phillips-US 5,839,058 [Phillips '058], Peters US 5,769,269 [Peters '269], Arizona Republic (AR) FINAL CHASER, Section: Weekend Page: D12.**

As per claim 1.

Shah '766 discloses a vending machine configured to dispense media products. Col. 1, lines 42-44.

Shah '766 does not specifically disclose a product return system, comprising: a return mailer dispensed with the product, wherein the return mailer is also a product case, the product returnable in the return mailer to a return center; the return center being in another location. However, Shah '766 does disclose a system that does require the customer to return a product dispensed from a vending machine. Col. 2, line 8.

Phillips '058 discloses a system that does require the customer to return a product after use. Col. 3, lines 7-12.

Phillips '058 further discloses a return mailer dispensed with the product for returning the product to a predetermined entity. Col. 12, line 51.

Phillips '058 does not specifically disclose a vending machine as providing the POS product. However it is well known and understood in the retail marketing industry POS marketing and distribution of products can be either by vending machines or station clerks.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to incorporate into the vending machine of Shah '766 the product of Phillips '058 to provide another POS outlet and increase the availability of the product to the public.

Phillips '058 does not specifically disclose a return center in another location. However, Phillips '058 does disclose returned by the user, ...by mail, to a predetermined entity. It is apparent in Phillips '058 that "predetermined entity" is another location other than the POS since the phone is being refurbished at the "predetermined entity". Also, "return " is not a limiting claim because it is a nonfunctional description. "A return center" could also be called a "predetermined entity" or a recycle center, etc., and not affect the method of returning an object to a place. Since this difference is only found in the nonfunctional descriptive material and does not alter how the item is returned, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404(Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994)

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to name a site for receiving returned goods anything they wanted because such data does not alter the limiting concept of utilizing a mailer and the subjective interpretation of the data does not patentably distinguish the claimed invention.

Phillips '058 discloses the claimed invention except for a label that is transferable between mailers. However, Phillips '058 does disclose a preaddressed mailing label with postage prepaid. Col. 6, lines 60-65. Boyar '992 teaches that it is known in the art to provide a label that has a return address, postage sufficient to mail the product to a return center and the ability to be attached to a second mailer. It would have been obvious to one having ordinary skill in the art at the time the invention was made to

provide the label as described by Phillips '058 with the transferable characteristics of Boyar '992 in order to increase the ability of the customer to have the flexibility to decide upon which action would best benefit themselves.

Shah '766 does not specifically disclose wherein a product rental fee is defined in a set of product rental terms, further wherein the product rental fee includes fees for non-compliance with the product rental terms. Shah '766 does disclose a flow chart block designated rates and terms for the rental of allowable.

Fig. 14A. Shah '766 further discloses refund upon returning the articles. Col. 6, lines 26-40.

The examiner interprets the refund upon returning the article to be the same as fees for non-compliance with the product rental terms and that is included in the initial cost along with the regular product rental fee.

Therefore, Shah '766 does teach about the product rental fee is defined in a set A product rental terms, further wherein the product rental fee includes fees for noncompliance with the product rental terms.

Shah 766 further discloses determining compliance or non-compliance with the product rental terms, further wherein an additional charge is posted to a consumer account or a future credit to a consumer account is canceled for non-compliance with he product rental terms. Col. 6, lines 15-40.

Shah '766 does not specifically disclose wherein the return center determines he action to be taken. However, the rental center can be a central office or a predetermined

entity as identified in the prior art, which does determine the actions to be taken and requires no further explanation.

Shah '766 does not specifically disclose wherein product rental terms include terms related to a specified return date and product condition.

However, Shah '766 does disclose a flow chart block designated rates and arms for the rental of allowable.

The element of "product rental terms" is only limited by the imagination of the designer and therefore non-limiting. PTO's guidelines for examining claimed language require: the examiner must make a determination, whether the claimed invention "as a whole" would have been obvious at the time of the invention to one of ordinary skill in the art. See MPEP 2142. In this pending claim, the examiner submits he particular language does not serve as a limitation for the claim (i.e., terms related o a specified return date and product condition). A limitation on a claim can be broadly thought of as its ability to make a meaningful contribution to the definition of he invention in a claim. In other words, language that is not functionally interrelated with the useful acts, structure, or properties of the claimed invention will not serve as a limitation. See *on re Gulak* 217 USPQ 401 (CAFC 1983), *ex parte Carver*, 227 1SPQ 465 BdPatApp&Int 1985) and *in re Lowry*, 32 **USPQ2d 1031 (CAFC 1994)** where language provided certain limitations because of specific relationships required by the claims. Therefore, it would have been obvious to a person of ordinary skill in

the art at the time the invention was made to include any type or kind of rental terms (i.e., a specified return date, product condition, early return, etc.) in their contract that they felt would benefit their company.

Shaw '766 discloses a central data center. Col. 3, lines 50-55. Shaw '766 does not specifically detail what kind and type of information is kept at the central data center. However, Shaw '766 does teach about master member files, statistics of transaction records, updating inventory listing, etc. It would have been obvious to one having ordinary skill in the art at the time of the invention was made to that to be able to handle and manipulate the aforementioned data, a database with information associated with the product and the database containing information specifying at least four of the product rental terms selected from the group consisting of a transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee and product purchase price since it is known in the art that the specific parameters relating to a transaction can be as broad or minutely detailed as the designer wants it to be. Shaw '766 also teaches about making financial and other reports. Col. 3, lines 58-60. It is obvious and understood that to make financial and other reports, criteria and comparisons of data is required. The parameters for the user on the kind and type of comparison report they so desire is purely subjective and does not create a patentable limitation..

As per claim 2.

Shah '766, Phillips '058, and Boyar '992 disclose all the limitations of claim 1.

Shah '766 does not specifically disclose a controller containing the database with information on the product, the controller connected to the vending machine and to the return center with transmission links.

Peters '269 discloses a controller containing a database with information on the product, the controller connected to the vending machine and to a Customer Service center with transmission links. Col. 7, lines 1-43.

Peters '269 does not specifically disclose a "return center". However Peters '269 does disclose a Customer Service Center (CSR). The examiner is taking Official Notice that a "return center and a Customer Service Center (CSR) can serve as the same function.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to substitute the "return center" for a CSR since both of them deal with products and customers remote of the POS site.

As per claim 3.

Shah '766, Phillips '058, and Boyar '992 disclose all the limitations of claim 1.

Shah '766 does not specifically disclose wherein the media product selected from the group consisting of DVDs, CDs, videotapes, software media and audiotapes.

Peters '269 discloses wherein the product is a media product selected from the group consisting of DVDs, CDs, videotapes, software media and audiotapes. Col. 2, lines 49-56.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to increase the items available to the customer from the Shah '766 vending machine to increase the selection to the customer.

As per claim 4.

Shah '766, Phillips '058, and Boyar '992 disclose all the limitations of claim 1.

Shah '766 further discloses wherein the product is rented using a transaction card. Fig. 14A

As per claim 5.

Shah '766, Phillips '058, and Boyar '992 disclose all the limitations of claim 1.

Shah '766 does not specifically disclose wherein the vending machine is located in a location selected from the groups consisting of an airport, a railroad station, a bus station, a subway, a store and a hotel.

Peters '269 discloses wherein the vending machine is located in a location selected from the groups consisting of an airport, a railroad station, a bus station, a subway, a store and a hotel. Col. 1, lines 23-35.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to place more than one of the Shah '766 vending machine in different locations to increase coverage and revenue.

As per claim 6.

Shah '766, Phillips '058, and Boyar '992 disclose all the limitations of claim 1.

Shah '766 does not specifically disclose wherein the product is obtained in a first location, used in a second location and deposited in a collection box in a third location. However, Shah '766 does disclose where a product is obtained in a first location and used in a second location. Col. 2, lines 5-8.

Phillips '058 discloses wherein the product is obtained in a first location, used in a second location and deposited in a collection box in a third location. Col. 3, lines 6-25.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to incorporate into Shah '766 system, Phillips '058 additional action of depositing in a collection box in a third location after the customer is done with the product to facilitate disposal.

As per claim 7.

Shah '766, Phillips '058, Boyar '992 and Peters '269 discloses all the limitations of claim 2.

Shah '766 does not specifically disclose a service agent facility having an automated service agent, the automated service agent having means for accessing the database. However, Shah '766 does disclose a dial-less phone 7, which may be connected to a central office or to a manager... Col. 3, line 25-26

Peters '269 discloses a service agent facility having an automated service agent, the automated service agent having means for accessing the database. Col. 7, lines 1-60.

The element of connecting to the central office or a manager is the equivalent of connecting to an automated service agent because both represent the company and both can serve the same function as the other.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to incorporate into Shah '766 system, Peters '269 automated service agent in place of Shah '766 central office or manager contact to facilitate another way to help a customer.

As per claim 8.

Shah '766, Phillips '058, Boyar '992 and Peters '269 discloses all the limitations of claim 7.

Shah '766 does not specifically disclose comprising instructions issued by the controller to the return center and to the service agent facility, the instructions providing information on inventory management. However, Shah '766 does disclose a telephone modem **165** to receive information from a central office, remote manager ...

Peters '269 discloses instructions issued by the controller to the return center and to the service agent facility, the instructions providing information on inventory management via a telephone modem. Col. 7, lines 1-60.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to utilize a telephone modem to convey information between different locations about the status of inventory to facilitate control over the inventory.

As per claim 9.

Shah '766, Phillips '058, Boyar '992 and Peters '269 discloses all the limitations of claim 1.

Shah '766 does not specifically disclose a transaction identifier on the return mailer.

However, the examiner takes Official Notice that it is apparent on return mailers that some form of identification is always present.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to put a transaction identifier on the return mailer.

As per claim 10.

Shah '766, Phillips '058, Boyar '992 and Peters '269 discloses all the limitations of claim 9.

Shah '766 does not specifically disclose wherein the transaction identifier is a scan able code.

However, the examiner takes Official Notice that it is apparent on return mailers that the identifiers can be scan able codes.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to have the identifiers as scan able codes to facilitate machine reading of the mail and, reduce the need for personnel to manually handle.

As per claim 11.

Shah '766, Phillips '058, Boyar '992 and Peters '269 discloses all the limitations of claim 10.

Shah '766 does not specifically disclose the return mailer has pre-paid postage and is pre-addressed to the return center. However, Shah '766 does disclose a storage cartridge with a data strip. Col. 4, lines 9-11

Phillips '058 discloses the return mailer that has data strips that are pre-paid postage and an address for the return center. Col. 6, lines 59-63.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to incorporate into Shah '766 data strip, Phillips '058 data representing pre-paid postage and the address of the return center to assist the ease of the customer to return the product.

As per claim 13.

Shah '766, Phillips '058, Boyar '992 and Peters '269 discloses all the limitations of claim 1.

Shah '766 does not specifically disclose wherein the product is not returned to the return center.

However, wherein the product is not returned to the return center does not add further limitations to claim 1 and is not considered to be further limiting.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to not provide any action when a product is not returned to the return center.

As per claim 17.

Shah '766, Phillips '058 and Boyar '992 discloses all the limitations of claim 1.

Shah '766 does not specifically disclose wherein the database contains information comprising a transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee and product purchase price.

Shah '766 does disclose the use of databases by the central data center for interacting with each station. Col. 3, lines 52-54.

Peters '269 discloses databases and the uses and contents thereof. Col. 5,6,7.

The element about the information contained in a database is only limited by the imagination of the designer and therefore non-limiting. PTO's guidelines for examining claimed language require: the examiner must make a determination, whether the claimed invention "as a whole" would have been obvious at the time of the invention to one of ordinary skill in the art. See MPEP 2142. In this pending claim, the examiner submits the particular language does not serve as a limitation for the claim (i.e., terms related to transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee and product purchase price.). A limitation on

a claim can be broadly thought of as its ability to make a meaningful contribution to the definition of the invention in a claim. In other words, language that is not functionally interrelated with the useful acts, structure, or properties of the claimed invention will not serve as a limitation. See *on re Gulak* 217 USPQ 401 (CAFC 1983), *ex parte Carver*, 227 USPQ 465 (BdPatApp&Int 1985) and *in re Lowry*, 32 USPQ2d 1031 (CAFC 1994) where language provided certain limitations because of specific relationships required by the claims.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include any type or kind of data (i.e., transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee and product purchase price, etc.) in their databases that they felt the company would need to track and use to better control their business.

As per claim 18.

*Shah* '766, *Phillips* '058, *Boyar* '992 and *Peters* '269 discloses all the limitations of claim 17.

*Shah* '766 does not specifically disclose wherein the return center determines compliance with the specified return date by noting the actual return date and comparing the actual return date with the specified return date in the database.

*Shah* '766 does disclose determining compliance or non-compliance with the product rental terms, further wherein an additional charge is posted to a consumer

account or a future credit to a consumer account is canceled for non-compliance with the product rental terms. Col. 6, lines 15-40.

The element of describing that the non-compliance with the product rental terms includes determining whether or not the product was returned within the rental period specified is apparent. This can only be done by noting the actual return date and comparing the actual return date with the specified return date in the database.

Shah '766 does not specifically disclose wherein the return center determines the action to be taken.

However, as disclosed in previous claims the rental center can be a central office or a predetermined entity as identified in the prior art and requires no further explanation.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to determine compliance with the specified return date by noting the actual return date and comparing the actual return date with the specified return date in the database.

**Claims 19-22, and 28-29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Phillips '058, Boyar '992, and further in view of Shah '766.**

As per claim 19.

Phillips '058 discloses:

the media product being dispensed with a return mailer, wherein the return mailer is configured as a product case; requesting return of the media product in the return mailer to a return center located in a location other than the said one location within a period of time, the return mailer depositable with a third-party delivery service. Col. 3, lines 6-28.

Phillips '058 does not specifically disclose the return mailer disposable with a third-party delivery service. However, Phillips '058 does disclose as per Fig. 1 a cover containing preaddressed mailing label with postage prepaid **55**. It is inherent that the United States Postal Service is a third-party delivery service.

Phillips '058 does not specifically disclose "for rent". However, Phillips '058 does disclose a specific period of use after which the media product is required to be returned to a predetermined entity. Col. 3, lines 20-25.

The element "for rent" is equivalent to paying for "a specific period of use" in one in the same and requires no further explanation.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to use the postal service as a third-party delivery service to take advantage of their drop off points throughout the United States.

Phillips '058 further discloses:

providing a label comprising an address of the return center and having an amount of postage sufficient for the third-party delivery service to return the product to the return center. Col. 6, lines 60-65.

Phillips '058 discloses the claimed invention except for wherein said label is configured for being attached to the return mailer upon returning the product to the return center or alternatively for being attached to another mailer if the product is not returned to the return center.

Boyar '992 teaches that it is known in the art to provide a wherein said label is configured for being attached to the return mailer upon returning the product to the return center or alternatively for being attached to another mailer if the product is not returned to the return center.

It would have been obvious to one having ordinary skill in the art at the time the invention was made to provide the mailer of Phillips '058 with the removable label of Boyar '992 to provide greater flexibility and options to the customer.

Phillips '958 discloses the claimed invention except for providing a vending machine configured to dispense media product, providing a media product for rent at the vending machine in one location, and dispensing the media product from the vending machine. Shaw '766 teaches that it is known in the art to provide a vending machine configured to dispense media product, providing a media product for rent at the vending machine in one location, and dispensing the media product from the vending machine. It would have been obvious to one having ordinary skill in the art at

the time the invention was made to provide the recyclable cellular telephone of Phillips '058 with the vending machine of Shaw '766, in order to increase the distribution and exposure of the recyclable cellular telephones to increase business.

Phillips '058 discloses a customer service and billing center. Col. 16, lines 30-35. Phillips '058 does not specifically detail what kind and type of information is kept at the customer service and billing center. However, Phillips '058 does teach about home location register database, customer service and billing center that manages the activities for adding and removing customers, changing services and billing for cellular service, etc. Col. 16, lines 30-45. It would have been obvious to one having ordinary skill in the art at the time of the invention was made to be able to handle and manipulate the aforementioned data, a database with information associated with the product and the database containing information specifying at least four of the product rental terms selected from the group consisting of a transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee and product purchase price since it is known in the art that the specific parameters relating to a transaction can be as broad or minutely detailed as the designer wants it to be. Phillips '058 also teaches about two different types of authorizations and transactions with a customer. Col. 19-20, lines 1-67. It is obvious and understood that to authorize and conduct transactions, criteria and comparisons of data is required. The parameters for the user on the kind and type of criteria and comparisons of data a company desires is purely subjective and does not create a patentable limitation..

As per claim 20.

Phillips '058 further discloses wherein a unique code identifies the media product. Fig. 1, **57**.

Phillips does not specifically disclose wherein a unique code identifies the rental location and the rental date.

However, the information contained in a unique code is only limited by the imagination of the designer and therefore non-limiting. PTO's guidelines for examining claimed language require: the examiner must make a determination, whether the claimed invention "as a whole" would have been obvious at the time of the invention to one of ordinary skill in the art. See MPEP 2142. In this pending claim, the examiner submits the particular language does not serve as a limitation for the claim (i.e., terms such as the rental location and rental date.). A limitation on a claim can be broadly thought of as its ability to make a meaningful contribution to the definition of the invention in a claim. In other words, language that is not functionally interrelated with the useful acts, structure, or properties of the claimed invention will not serve as a limitation. See *on re Gulak* 217 USPQ 401 (CAFC 1983), *ex parte Carver*, 227 USPQ 465 (BdPatApp&Int 1985) and *in re Lowry*, 32 USPQ2d 1031 (CAFC 1994) where language provided certain limitations because of specific relationships required by the claims.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include any type or kind of data (i.e., the rental location and rental date) in their code that they felt the company would need to track and use to better control their business.

As per claim 21.

Phillips '058 discloses all the limitations of claim 20.

Phillips '058 further discloses storing information about the media product in the database. Fig. 3, **98**.

Phillips does not specifically disclose information about the rental location and rental date in the database.

However, the information contained in a database is only limited by the imagination of the designer and therefore non-limiting. PTO's guidelines for examining claimed language require: the examiner must make a determination, whether the claimed invention "as a whole" would have been obvious at the time of the invention to one of ordinary skill in the art. See MPEP 2142. In this pending claim, the examiner submits the particular language does not serve as a limitation for the claim (i.e., terms such as rental location and rental date). A limitation on a claim can be broadly thought of as its ability to make a meaningful contribution to the definition of the invention in a claim. In other words, language that is not functionally interrelated with the useful acts, structure, or properties of the claimed invention will not serve as a limitation. See *on re Gulak* 217 USPQ 401 (CAFC 1983), *ex parte Carver*, 227 USPQ 465 (BdPatApp&Int 1985) and *in re Lowry*, 32 USPQ2d 1031 (CAFC 1994) where language provided certain limitations because of specific relationships required by the claims.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include any type or kind of data (i.e., the rental

location and rental date.) in their databases that they felt the company would need to track and use to better control their business.

As per claim 22.

Phillips '058 discloses all the limitations of claim 21.

Phillips '058 further discloses issuing credit or canceling additional charges depending on product return date. Col. 19, lines 62-67, Col. 20, lines 1-5

Phillips '058 does not specifically disclose issuing credit or canceling additional charges depending on product condition.

However, that the issuing of credit or canceling of additional charges depending on product condition or any other type of contract liabilities is only limited by the imagination of the designer and therefore non-limiting. PTO's guidelines for examining claimed language require: the examiner must make a determination, whether the claimed invention "as a whole" would have been obvious at the time of the invention to one of ordinary skill in the art. See MPEP 2142. In this pending claim, the examiner submits the particular language does not serve as a limitation for the claim (i.e., issuing credit or canceling additional charges depending on product condition). A limitation on a claim can be broadly thought of as its ability to make a meaningful contribution to the definition of the invention in a claim. In other words, language that is not functionally interrelated with the useful acts, structure, or properties of the claimed invention will not serve as a limitation. See *on re Gulak* 217 USPQ 401 (CAFC 1983), *ex parte Carver*, 227 USPQ 465 (BdPatApp&Int 1985) and *in re Lowry*, 32 USPQ2d 1031 (CAFC 1994)

where language provided certain limitations because of specific relationships required by the claims.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to include any type or kind of contract liability (i.e., issuing credit or canceling additional charges depending on product condition.) to protect their products and provide incentive for customers to not destroy their product.

As per claim 28.

Phillips '058 discloses all the limitations of claim 20.

Phillips '058 further discloses issuing a credit for a difference between the product rental fee and the product purchase price or canceling a future charge when the product is returned in good condition and on time. Col. 19, lines 60-67, Col. 20, lines 1-5.

Phillips does not specifically disclose wherein the return center activity comprises: opening the return mailer; inspecting the product inside the return mailer to determine if the product is in good condition; comparing information in the database with the product inside the return mailer.

However, for the recycle center to be able to determine whether or not to charge for the deposit guaranteeing return of the telephone they would have to somehow, open the return mailer, inspect the product and compare information in the database with the product inside the return mailer.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to open the return mailer, inspect the product and compare information in the database with the product inside the return mailer to determine whether to issue a credit for the difference between a rental price and a purchase price or cancel a future charge when the product is return.

As per claim 29.

Phillips '058 discloses all the limitations of claim 28.

Phillips does not specifically disclose wherein a pro-rated credit is issued when the product is returned late or in less than good condition.

However, the element "pro-rated" credit is an accounting means that is only limited by the imagination of the designer and therefore non-limiting. PTO's guidelines for examining claimed language require: the examiner must make a determination, whether the claimed invention "as a whole" would have been obvious at the time of the invention to one of ordinary skill in the art. See MPEP 2142. In this pending claim, the examiner submits the particular language does not serve as a limitation for the claim (i.e. "pro-rated" credit). A limitation on a claim can be broadly thought of as its ability to make a meaningful contribution to the definition of the invention in a claim. In other words, language that is not functionally interrelated with the useful acts, structure, or properties of the claimed invention will not serve as a limitation. See *on re Gulak* 217 USPQ 401 (CAFC 1983), *ex parte Carver*, 227 USPQ 465 (BdPatApp&Int 1985) and in

re Lowry, 32 USPQ2d 1031 (CAFC 1994) where language provided certain limitations because of specific relationships required by the claims.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to set up any type of accounting means, i.e. (pro-rated credit, late fee, non-compliance fee) to provide for a customer not following the terms of the companies contract.

**1. Claims 30-32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Peters '269, above, Phillips '058, and further in view of Boyar '992.**

As per claim 30.

Peters '269 discloses an apparatus for dispensing products, comprising: means for selecting a particular product; wherein said particular product is a media product ; means for dispensing the particular product to a customer; means for identifying the particular product; and means for recording a transaction date in a database. Col. 2 &3.

Peters '269 does not specifically disclose dispensing the particular product together with a return mailer to a customer.

However, Phillips '058 discloses a product that includes a return mailer for transporting the particular product from the customer back to a return center located apart from the means for dispensing that is available at locations that utilize vending machines as well as sales people to dispense items.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to incorporate the product with the mailer as taught by Phillips '058 into the vending machines taught by Peters '269 to increase the point of sales available to the customers and the convenience of being able to mail back the product.

Peters '058 does not specifically disclose a label comprising an address of the return center and having an amount of postage sufficient to mail the particular product to the return center and the label is configured for being attached to the first return mailer for returning the particular product to the return center or alternatively for being attached to a second return mailer if the particular product is not returned to the return center.

However, Phillips '058 discloses a product that includes a return mailer for transporting the particular product from the customer back to a return center located apart from the means for dispensing that is available at locations that utilize vending machines as well as sales people to dispense items.

Phillips '058 discloses the claimed invention except for a label that is transferable between mailers. However, Phillips '058 does disclose a preaddressed mailing label with postage prepaid. Col. 6, lines 60-65. Also, Phillips '058 discloses the means for transporting comprises the first return mailer dispensed at said means for dispensing. Boyar '992 teaches that it is known in the art to provide a label that has a return address, postage sufficient to mail the product to a return center and the ability to be attached to a second mailer. It would have been obvious to one having ordinary skill in

the art at the time the invention was made to provide the label as described by Phillips '058 with the transferable characteristics of Boyar '992 with the vending of customer-selected products of Peters '058 in order to increase the ability of the customer to have the flexibility to decide upon which action would best benefit themselves.

Peters '058 discloses four databases. Col. 5-7, lines 1-67. Peters '058 teaches that the four databases are machine, vendor, sales, and inventory databases. It would have been obvious to one having ordinary skill in the art at the time of the invention was made to be able to handle and manipulate the aforementioned data, a database with information associated with the product and the database containing information specifying at least four of the product rental terms selected from the group consisting of a transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee and product purchase price since it is known in the art that the specific parameters relating to a transaction can be as broad or minutely detailed as the designer wants it to be.

As per claim 31.

Peters '269 and Phillips '058 discloses all the limitations of claim 30.

Peters '269 further discloses wherein the means for selecting and depositing a particular product is a vending machine. Abstract.

As per claim 32.

Peters '269 and Phillips '058 discloses all the limitations of claim 31.

Peters '269 further discloses a means for identifying the particular product; and means for recording a transaction date in a database. Col. 2 &3.

Peters '269 does not specifically disclose the means for identifying the product and rental date in a unique code, the unique code enterable in the database.

However, Phillips '058 discloses the means for identifying the product and rental date with a unique code, the unique code enterable in the database. Fig. 1, 55,57.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to incorporate into Peters '269 means for identifying the particular product with Phillips '058 means for identifying the product and rental date with a unique code, the unique code enterable in the database.

#### **(11) Response to Argument**

In response to appellant's argument that the rejection fails to establish *prima facie* obviousness of Independent Claim 1, and dependent Claims 2-11, 13, and 17-18, the test for obviousness is not whether the features of a secondary reference may be bodily incorporated into the structure of the primary reference; nor is it that the claimed invention must be expressly suggested in any one or all of the references. Rather, the test is what the combined teachings of the references would have suggested to those of ordinary skill in the art. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981).

**Issue (1)**

The term "inherency" is associated with a 102 rejection and the term "obvious" is associated with a 103 rejection. The correct term is and should be "obvious". The Examiner agrees with the Appellant that changing of the specific term in question does not materially change the effectiveness or the lack thereof of the rejection

**Issue (2)**

In response to appellant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, Shah '766 does not specifically disclose a product return system, comprising: a return mailer dispensed with the product, wherein the return mailer is also a product case, the product returnable in the return mailer to a return center; the return center being in another location. However, Shah '766 does disclose a system that does require the customer to return a product dispensed from a vending machine. Col. 2, line 8.

Phillips '058 discloses a system that does require the customer to return a product after use. Col. 3, lines 7-12.

Phillips '058 further discloses a return mailer dispensed with the product for returning the product to a predetermined entity. Col. 12, line 51.

Phillips '058 does not specifically disclose a vending machine as providing the POS product. However it is well known and understood in the retail marketing industry POS marketing and distribution of products can be either is by vending machines or station clerks.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to incorporate into the vending machine of Shah '766 the product of Phillips '058 to provide another POS outlet and increase the availability of the product to the public.

In response to appellant's argument that Phillips is not in the field of dispensing articles from a vending machine and thus is nonanalogous art, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, Phillips '058 does not specifically disclose a vending machine as providing the POS product. However it is well known and understood in the retail marketing industry POS marketing and distribution of products can be either is by vending machines or station clerks.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to incorporate into the vending machine of Shah '766

the product of Phillips '058 to provide another POS outlet and increase the availability of the product to the public.

In response to applicant's arguments that the place that the product is returned to in Phillips does not have certain specific features as detailed in the claims renders Phillips as inadequate in teaching a return center in another location. In this case, Phillips '058 does not specifically disclose a return center in another location. However, Phillips '058 does disclose returned by the user, ...by mail, to a predetermined entity. It is apparent in Phillips '058 that "predetermined entity" is another location other than the POS since the phone is being refurbished at the "predetermined entity". Also, "return" is not a limiting claim because it is a nonfunctional description. "A return center" could also be called a "predetermined entity" or a recycle center, etc., and not affect the method of returning an object to a place. Since this difference is only found in the nonfunctional descriptive material and does not alter how the item is returned, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404(Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994)

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to name a site for receiving returned goods anything they wanted because such data does not alter the limiting concept of utilizing a mailer and the subjective interpretation of the data does not patentably distinguish the claimed invention.

### Issue (3)

In response to applicant's argument that there is no suggestion to combine the references, the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, as per claim 19, Phillips '058 discloses, the media product being dispensed with a return mailer, wherein the return mailer is configured as a product case; requesting return of the media product in the return mailer to a return center located in a location other than the said one location within a period of time, the return mailer depositable with a third-party delivery service. Col. 3, lines 6-28.

Phillips '058 does not specifically disclose the return mailer disposable with a third-party delivery service. However, Phillips '058 does disclose as per Fig. 1 a cover containing preaddressed mailing label with postage prepaid **55**. It is inherent that the United States Postal Service is a third-party delivery service.

Phillips '058 does not specifically disclose "for rent". However, Phillips '058 does disclose a specific period of use after which the media product is required to be returned to a predetermined entity. Col. 3, lines 20-25.

The element "for rent" is equivalent to paying for "a specific period of use" is one in the same and requires no further explanation.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to use the postal service as a third-party delivery service to take advantage of their drop off points throughout the United States.

Phillips '058 further discloses:

providing a label comprising an address of the return center and having an amount of postage sufficient for the third-party delivery service to return the product to the return center. Col. 6, lines 60-65.

Phillips '058 discloses the claimed invention except for wherein said label is configured for being attached to the return mailer upon returning the product to the return center or alternatively for being attached to another mailer if the product is not returned to the return center.

Boyar '992 teaches that it is known in the art to provide a wherein said label is configured for being attached to the return mailer upon returning the product to the return center or alternatively for being attached to another mailer if the product is not returned to the return center.

It would have been obvious to one having ordinary skill in the art at the time the invention was made to provide the mailer of Phillips '058 with the removable label of Boyar '992 to provide greater flexibility and options to the customer.

Phillips '958 discloses the claimed invention except for providing a vending machine configured to dispense media product, providing a media product for rent at the vending machine in one location, and dispensing the media product from the vending machine. Shaw '766 teaches that it is known in the art to provide a vending

machine configured to dispense media product, providing a media product for rent at the vending machine in one location, and dispensing the media product from the vending machine. It would have been obvious to one having ordinary skill in the art at the time the invention was made to provide the recyclable cellular telephone of Phillips '058 with the vending machine of Shaw '766, in order to increase the distribution and exposure of the recyclable cellular telephones to increase business.

Phillips '058 discloses a customer service and billing center. Col. 16, lines 30-35. Phillips '058 does not specifically detail what kind and type of information is kept at the customer service and billing center. However, Phillips '058 does teach about home location register database, customer service and billing center that manages the activities for adding and removing customers, changing services and billing for cellular service, etc. Col. 16, lines 30-45. It would have been obvious to one having ordinary skill in the art at the time of the invention was made to be able to handle and manipulate the aforementioned data, a database with information associated with the product and the database containing information specifying at least four of the product rental terms selected from the group consisting of a transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee and product purchase price since it is known in the art that the specific parameters relating to a transaction can be as broad or minutely detailed as the designer wants it to be. Phillips '058 also teaches about two different types of authorizations and transactions with a customer. Col. 19-20, lines 1-67. It is obvious and understood that to authorize and conduct transactions, criteria and comparisons of data is required. The parameters for

the user on the kind and type of criteria and comparisons of data a company desires is purely subjective and does not create a patentable limitation.

**Issue 4.**

The Appellant argues that in reference to Independent claim 30, and dependent claims 31-32, the rejection fails to establish *prima facie* obviousness. The examiner recognizes that references cannot be arbitrarily combined and that there must be some reason why one skilled in the art would be motivated to make the proposed combination of primary and secondary references. *In re Nomiya*, 184 USPQ 607 (CCPA 1975). However, there is no requirement that a motivation to make the modification be expressly articulated. The test for combining references is what the combination of disclosures taken as a whole would suggest to one of ordinary skill in the art. *In re Simon*, 174 USPQ 114 (CCPA 1972); *In re McLaughlin*, 170 USPQ 209 (CCPA 1971). References are evaluated by what they suggest to one versed in the art, rather than by their specific disclosures. *In re Bozek*, 163 USPQ 545 (CCPA 1969). In reference to claim 30, the motivation to combine is to incorporate the product with the mailer as taught by Phillips '058 into the vending machines taught by Peters '269 to increase the point of sales available to the customers and the convenience of being able to mail back the product.

In reference to the prior art not specifically having specified terms, i.e. transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee, and product purchase price, these differences are only

found in the nonfunctional descriptive material and are not functionally involved in the steps recited. The control and manipulation of transaction information steps would be performed the same regardless of the name of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *In re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to use product and transaction data to track and control a transaction regardless of what it is called because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

Peters '058 discloses four databases. Col. 5-7, lines 1-67. Peters '058 teaches that the four databases are machine, vendor, sales, and inventory databases. It would have been obvious to one having ordinary skill in the art at the time of the invention was made to be able to handle and manipulate the aforementioned data, a database with information associated with the product and the database containing information specifying at least four of the product rental terms selected from the group consisting of a transaction identifier, product title, product dispense date, specified return date, product condition, product rental fee and product purchase price since it is known in the art that the specific parameters relating to a transaction can be as broad or minutely detailed as the designer wants it to be.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

Daniel L. Greene

Examiner

Art Unit 3621

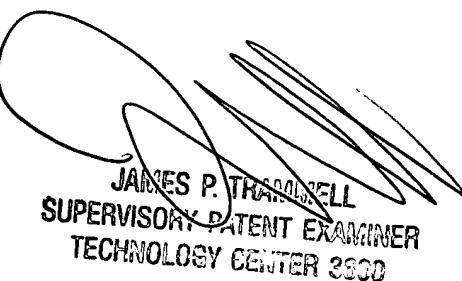
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